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IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF CALIFORNIA

RAYMOND E. PEYTON,

Appellant,

Case No. 1:23-cv-00760-JLT

APPELLEE'S ANSWERING BRIEF

**KATHLEEN ALLISON, PETER ALDANA,
ROB BONTA, AND BRIAN CATES,**

Appellees.

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INTRODUCTION

2 On January 17, 2023, Appellant Raymond Eugene Peyton filed an adversary proceeding in
3 the United States Bankruptcy Court of the Eastern District of California. His main objective in
4 doing so: to obtain release from state prison, where he is serving a sentence for aggravated sexual
5 assault of a minor by force. Among other wild claims, Peyton asserted that the state court
6 judgment was a fraudulent executory contract to which he had not agreed, and therefore he had
7 been wrongfully imprisoned under an illegal “judicial lien.” The Bankruptcy Court correctly
8 dismissed the adversarial proceeding for lack of jurisdiction as Peyton’s exclusive remedy lies in
9 habeas, not in bankruptcy. Undeterred, however, Peyton brought this meritless appeal before this
10 Court, alleging—without evidence—that the Bankruptcy Judge “ignored dozens of citations
11 affirming his ability to act in the instant action and . . . misstated the jurisdiction of his Court” and
12 that Peyton is now “left in limbo with no remedy at Law.” (Appellant’s Opening Brief (AOB) at
13 1-2.) Appellee¹ respectfully requests that the Court reject Peyton’s baseless appeal and affirm the
14 Bankruptcy Court’s order in full.

ISSUE PRESENTED

16 Does a Bankruptcy Court have subject-matter jurisdiction to hear a state prisoner's
17 challenge to his underlying conviction and incarceration? As a legal conclusion (and because the
18 adversary complaint was dismissed for failure to state a claim), this issue is reviewed de novo.
19 *New Falls Corp. v. Boyajian (In re Boyajian)*, 564 F.3d 1088 (9th Cir. 2009); *In re EPD*
20 *Investment Co., LLC*, 523 B. R. 680, 684 (9th Cir. BAP 2015).

STATEMENT OF THE CASE

22 In 2007, Peyton was convicted of four separate counts of aggravated sexual assault and
23 penetration by force, violence, duress, menace, or fear, in violation of California Penal Code
24 section 269, and he was sentenced to a 60 year term in state prison. (Bankruptcy Court Docket
25 (BCD) No. 39 at pp. 1-2.) Peyton filed chapter 7 bankruptcy and the underlying adversary
26 proceeding in an attempt to void his criminal conviction and obtain release from prison, on the

¹ Appellee Brian Cates is the only party who was served in the lower court proceeding and is therefore the only party appearing through this brief.

1 grounds that his indictment was an illegal “executory contract” that cannot be enforced. (BCD
2 No. 7.)

3 On March 14, 2023, the Bankruptcy Court issued an Order to Show Cause, noting that it
4 lacked subject-matter jurisdiction over Peyton’s claims “because federal bankruptcy courts have
5 no jurisdiction to invalidate the results of state criminal proceedings.” (BCD No. 39 at p. 3.)
6 Because Peyton’s complaint challenged the fact or duration of his confinement in state prison,
7 and because all his other sought relief was derivative of that challenge, Peyton was ordered to
8 explain why the Bankruptcy Court should not dismiss the adversary proceeding for lack of
9 subject-matter jurisdiction. (*Id.* at p. 5.) On March 27, 2023, Peyton responded to the Order to
10 Show Cause. (BCD No. 56.)

11 On May 4, 2023, after a hearing on the Order to Show Cause, the Bankruptcy Court
12 dismissed the adversary proceeding without prejudice and without leave to amend for the reasons
13 stated in the Order to Show Cause. (BCD No. 75.) Peyton’s Notice of Appeal followed shortly
14 thereafter. (BCD No. 82.)

15 **SUMMARY OF ARGUMENT**

16 Bankruptcy Courts have no jurisdiction to invalidate the results of state criminal
17 proceedings. Peyton’s sole federal remedy is a petition for writ of habeas corpus, and he cannot
18 obtain release from prison—or any of his other requested relief—through bankruptcy.

19 **ARGUMENT**

20 **PEYTON CANNOT OVERTURN HIS CRIMINAL CONVICTION NOR SEEK
21 RELEASE FROM PRISON THROUGH BANKRUPTCY.**

22 Peyton alleges that the Bankruptcy Court erred in dismissing his adversary proceeding, and
23 he seeks to have this Court “recall” his conviction and return him to his family home in Riverside,
24 California. (AOB at p. 17.) Peyton is mistaken, and his appeal should be dismissed.

25 “[W]hen a state prisoner is challenging the very fact or duration of his physical
26 imprisonment, and the relief he seeks is a determination that he is entitled to immediate release or
27 a speedier release from that imprisonment, his sole federal remedy is a writ of habeas corpus.”

28 *Preiser v. Rodriguez*, 411 U.S. 475, 500 (1973). “Although the writ of habeas corpus has

1 common law roots and is protected in the Constitution, the power to award the writ [of habeas
2 corpus] by any of the courts of the United States, must be given by written law — a statute.” *In*
3 *re Luckett*, 612 B.R. 408, 411 (Bankr. D.N.M. 2020) (citing *Ex Parte Bollman*, 8 U.S. 75, 554
4 (1807)). No such power has ever been granted to a bankruptcy court. *See Luckett*, 612 B.R. at
5 411-414 (finding that bankruptcy courts lack jurisdiction to entertain requests from debtors for
6 release from federal or state prison). Indeed, “[t]he federal habeas corpus statue was ‘explicitly
7 and historically designed to provide the means for a state prisoner to attack the validity of his
8 confinement.’ An adversary proceeding in bankruptcy is not.” *In re Gruntz*, 202 F.3d 1074, 1086
9 (9th Cir. 2000).

10 Rather than rebut this point—which has been at issue since the Bankruptcy Court’s Order to
11 Show Cause and is the *only* issue in this appeal—Peyton’s Opening Brief is filled to the brim
12 with inane conspiracy theories, incorrect statements of law, and absurd assertions of attorney
13 misconduct. For example, Peyton alleges that he has been kidnapped by the California
14 Department of Corrections and Rehabilitation (AOB at p. 9), that the use of his name in all caps
15 constitutes “copyright infringement” (*id.* at p. 4), that the Riverside County Superior Court was
16 actually an Admiralty Trial Court that issued a “civil contract with a criminal penalty” (*id.* at p.
17 5), and that he was not actually indicted, but was only the “recipient [sic] of ‘charges’ against his
18 corporate entity” (*id.* at p. 6). None of these nonsensical assertions—indeed, none of the
19 assertions in the entire brief—have any bearing on the Bankruptcy Court’s lack of subject-matter
20 jurisdiction over state court criminal judgments.

21 Throughout his brief, and throughout this entire case, Peyton seeks to fit a square peg (his
22 criminal conviction and incarceration) into an unrelated round hole (admiralty and contract law).
23 To the extent Peyton believes his incarceration is unlawful, he has a clear remedy under federal
24 law: a petition for writ of habeas corpus. *Nettles v. Grounds*, 830 F.3d 922, 934 (9th Cir. 2016).
25 His claims to the contrary are simply distractions from the *only* issue at hand in this appeal:
26 whether the Bankruptcy Court has jurisdiction. It does not. The Court must affirm the
27 Bankruptcy Court’s order.

28 ///

CONCLUSION

Peyton's claims were not properly before the United States Bankruptcy Court because the Court does not have jurisdiction to overturn Peyton's conviction. As such, this appeal lacks any merit. Appellee respectfully requests the Court dismiss the appeal and affirm the Bankruptcy Court's order.

Dated: July 13, 2023

Respectfully submitted,

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/s/ Lucas L. Hennes

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1 **DECLARATION OF SERVICE BY U.S. MAIL**

2 **Case Name:** *Raymond E. Peyton v. Kathleen Allison, et al.*
3 **District Court Case No.:** 1:23-cv-00760-JLT
4 **Bankruptcy Court Case No.:** 22-11350-B-7
5 **Adversary Proceeding No.:** 23-01003

6 I declare:

7 I am employed in the Office of the Attorney General, which is the office of a member of the
8 California State Bar, at which member's direction this service is made. I am 18 years of age or
9 older and not a party to this matter. I am familiar with the business practice at the Office of the
10 Attorney General for collection and processing of correspondence for mailing with the United
11 States Postal Service. In accordance with that practice, correspondence placed in the internal
12 mail collection system at the Office of the Attorney General is deposited with the United States
13 Postal Service with postage thereon fully prepaid that same day in the ordinary course of
14 business.

15 On **July 13, 2023**, I served the attached **APPELLEE'S ANSWERING BRIEF** by placing a true
16 copy thereof enclosed in a sealed envelope in the internal mail collection system at the Office of
17 the Attorney General at 1300 I Street, Suite 125, P.O. Box 944255, Sacramento, CA 94244-2550,
18 addressed as follows:

19 Raymond E. Peyton - F-87541
20 Avenal State Prison
21 P.O. Box 905
22 Avenal, CA 93204

23 *In Pro Per*

24 I declare under penalty of perjury under the laws of the State of California and the United States
25 of America the foregoing is true and correct and that this declaration was executed on **July 13,**
26 **2023**, at Sacramento, California.

27 D. Kulczyk

28 Declarant

/s/ D. Kulczyk

 Signature